

Employer UPDATE

A PUBLICATION OF THE ARIZONA STATE RETIREMENT SYSTEM

Summer 2006

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Forms Update

The ASRS has updated two forms for employer use.

> The Ending Payroll Verification form is now included in the ASRS retirement packet. It is the responsibility of the employee who is retiring to provide the Ending Payroll Verification form to their employer so that the employer section of the form can be filled out and signed. The employer is responsible for returning the completed form to the ASRS within 10 days of the employee's termination date.

> The Presidential Call-Up form has been amended to comply with federal law regarding pay and pay increases while serving in active duty.

Employer forms are available on the ASRS website at www.azasrs.gov under the Employer section.

Accurate Enrollment Forms vital to members

The ASRS is in the process of updating member records and is asking your support to help ensure they are accurate.

The majority of information contained in each record comes from the member's initial enrollment form. The enrollment form is vital because it ensures we have accurate and complete information for our members, triggers the creation of member accounts and provides our actuary with critical information needed to make accurate calculations that affect our contribution rates.

Frequently, the ASRS receives enrollment forms that are incomplete and/or have inaccurate information. The following is a list of the most common errors we see:

- > Invalid Social Security number.
- > Enrollment is filled out by employee only, without the required signature from their employer representative.
- > No address or phone number.
- > No date of birth for the member.
- > No gender for the member.
- > No designated beneficiary.
- > Beneficiary information incomplete.
- > Incorrect names.
- > Missing enrollment form.

In the case of a missing enrollment form, a member account is set up from information in the contribution report provided by the employer. This, however, does not provide all the needed information to best serve the new member.

In order for the ASRS to improve the integrity of our data and better serve our members, incomplete forms are returned to the employer for correction. The form will be accompanied by a letter asking you to complete and return the enrollment form to the ASRS.

If you are unsure of how to fill out the enrollment form, please contact the ASRS Employer Relations Division or refer to the sample contained in the Employer Manual.

Keep ASRS updated with proper contacts

Please keep the ASRS informed if there have been changes or additions to your personnel responsible for working with the retirement system. We have an active database of employer contacts, who receive important news and notices from the ASRS.

If there are changes to your staff, such as director or superintendent, human resources or payroll managers, benefit or health insurance liaisons, contact Rita Anne Johnson or Chanda Washington at the numbers listed on page 3.

You're Invited!

Annual Employer Conferences help keep you informed!

The Arizona State Retirement System is proud to present our 2006 annual Employer Conference schedule. These meetings are for representatives from member employer Payroll, Benefits and Human Resource departments and any staff who provide administrative support.

All meetings will be from 8:30 a.m. to 12:30 p.m., and will cover the following topics:

- New legislation
- Updates on contribution reporting, rulemaking and membership rules.
- Records management & the employer's responsibilities.
- Contribution rates & the Permanent Benefit Increase.
- Advances in automated processes, including on-line forms.
- Updates to the ASRS website, including the new "My ASRS Homepage" feature
- Health Insurance and Long Term Disability program information

RSVP TO: WeeklyReport@azasrs.gov OR

Michelle Fink, Administrative Project Coordinator
Metro Phoenix: (602) 308-5107
Metro Tucson: (520) 239-3100 ext. 5107
Toll-Free: 1 (800) 621-3778 ext. 5107
E-mail: michellef@azasrs.gov

Include in your RSVP the employer name, mailing address, attendee names and titles, phone number, and date and location of the meeting you'd like to attend.

Employer Conference Schedule

Phoenix - ASRS Office, 3300 N. Central Ave., 10th Floor Board Room

August 2, 3, 8, 10, 15, 17, 29, 30

October 10 November 1

Tucson - August 9, 31, & September 28, ASRS Tucson Office, 7660 E. Broadway Blvd., Suite 101.

Flagstaff - August 22, Coconino County Community College, 3000 N. Fourth St., Lecture Room B34.

Holbrook - August 23, Northland Pioneer College, Painted Desert Campus, 2251 E. Navajo Blvd.

Show Low - August 24, Northland Pioneer College, White Mountain Campus PC101, 1001 W. Deuce of Clubs.

Yuma - September 12, City of Yuma Complex-Conference Room 142, One City Plaza.

Kingman - September 13, Kingman School District Board Room, 3033 MacDonald Ave.

Prescott - September 14, Yavapai College-Performance Hall Green Room, 1100 E. Sheldon St.

Bisbee - September 19, Cochise County Road 1221 Hereford Road Equipment Road Yard.

Safford - September 29, City Hall Annex, 808 S. Eighth Ave.

Globe - September 21, Gila County Courthouse-Board of Supervisors Hearing Room, 1400 E. Ash St.

Special Meetings

State Agencies Only - September 7, 9-11 a.m. or 1-3 p.m., ADOA Phoenix Office, 100 N. 15th Ave., 3rd Floor Conference Room.

Employer UPDATE

ASRS Board of Trustees

Dr. Keith Meredith, Board Chair
Tucson, Member at Large

Michael Townsend, Vice Chair
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Lawrence Trachtenberg
Scottsdale, Public Representative

Steven Zeman
Phoenix, Retirees Representative

ASRS website:
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Director
Paul Matson
Assistant Director-External Affairs
Patrick Klein

Employer Relations Manager
Michele Briggs

Communications Manager
David Cannella

Employer Notes

On-line Contribution Reporting

Did you know ASRS employers can file payroll reports and make payments to the ASRS via the internet at www.azasrs.gov?

The ASRS highly encourages employers to participate in this safe, secure electronic reporting option!

To sign up for on-line reporting, contact:

Marcia Kumamoto, Contribution Accounting Manager

marciak@azasrs.gov

(602) 240-2034 from metro Phoenix

(520) 239-3300, ext. 2034 from metro Tucson

1 (800) 621-3778, ext. 2034 toll free from outside metro Phoenix and Tucson

OR

Michelle Fink, Administrative Project Coordinator

michellef@azasrs.gov

(602) 308-5107 from metro Phoenix

(520) 239-3100 ext. 5107 from metro Tucson

1 (800) 621-3778 ext. 5107 toll free from outside metro Phoenix and Tucson.

New Employee Packets

We have updated the information sheets designed for the New Employee Packets, available for employers to provide to their new hires that explains the benefits of membership in the state retirement system.

Employers may download the latest Fact Sheets to place into the folders, which can then be provided to a new employee along with other information provided at the time of hire, such as employer health care benefits, tax forms and other paperwork.

The folder itself has information on the history of the ASRS, benefits of membership, our investment strategy and contact information. Folders will be available at the upcoming Employer Conferences, so make plans to attend!

For employers who cannot attend, or for those who do not have internet access to the ASRS website, the Employer Relations Division can make arrangements to get you the materials.

Contact Us!

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Employer Relations Manager

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Employer Relations Liaison

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Chanda Washington

Employer Relations Liaison

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Legislation Update

From the 47th Session-Second Regular Session of the Arizona Legislature

The 47th Legislature-Second Regular Session adjourned sine die on June 22, 2006. The general effective date for bills passed is September 21, 2006. Below is a brief summary of bills that have been passed into law that may affect ASRS members. To view legislation in its entirety, please visit the Arizona State Legislature website at www.azleg.gov

Senate Bill 1167 – Optional Forms of Retirement (Laws 2006, Chapter 309)

This bill, signed by the Governor on June 1, 2006, amends statutes to limit the ability of a retired member of the ASRS to alternate between retirement benefit options. A member who retires after the enactment date of the new law may exercise a one-time election to rescind the joint and survivor annuity or period-certain option and select a new annuity option, if the originally named annuitant dies or ceases to be a contingent annuitant under the terms of a qualified domestic relations order.

Note: The ASRS is awaiting a private letter ruling from the Internal Revenue Service that is required prior to implementation of this statute.

Senate Bill 1168 – Federal Conforming Changes (Laws 2006, Chapter 157)

This bill, signed by the Governor on April 17, 2006, modifies state statutes to conform to federal law regarding: contributions paid for qualifying active members called to active military service; beneficiaries and payments made when no beneficiary survives the member; survivor benefit calculations and granting the ASRS Board the authority to determine a rate; and minimum required distributions of retirement benefits in accordance with the Internal Revenue Code.

House Bill 2082 – Spousal Notification (Laws 2006, Chapter 103)

This bill, signed by the Governor on April 12, 2006 places in law the following requirements on the part of the ASRS member:

- > A member is required to notify their current spouse at any time a beneficiary is designated, if the beneficiary designated is someone other than the current spouse; and,
- > A retired member is required to notify their current spouse at any time a change to their beneficiary or annuity option is made, if the current spouse is a beneficiary.

House Bill 2103 – Termination Incentive Program (Laws 2006, Chapter 106)

This bill, signed by the Governor on April 12, 2006, clarifies statutory language put in place last year by changing the term “retirement” to “termination.” The statute regulates employer incentive programs that lead to employees terminating employment and any monetary incentives that may be provided that may affect contributions due to the ASRS.

House Bill 2113 – Continuation of the ASRS (Laws 2006, Chapter 125)

This bill, signed by the Governor on May 8, 2006, extends the statutory life of the ASRS for 10 years through July 1, 2016.

House Bill 2340 – Repeal of the ASRS Modified DROP Program (Laws 2006, Chapter 12)

This bill, signed by the Governor on March 24, 2006, repeals statutes passed into law in 2001 and modified in 2003 that allowed for the creation of a Deferred Retirement Option Plan to be offered through the ASRS. Implementation of a modified DROP program would have lead to increased contribution rates for all members and employers.

New Employer Staff Training Workshops

The ASRS Employer Relations Division will be hosting a short series of workshops to assist employers with new staff members who have duties and responsibilities related to the ASRS and retirement. **ER 101** is designed especially for staff who haven't worked with the ASRS in the recent past.

Mark your calendars for these special workshops - October 19 at the ASRS Tucson office, and October 25 and November 16 at the ASRS Phoenix office. Workshops will take place from 8:30 a.m. to 12:30 p.m.

Details and reservation information will be published later this fall in the ASRS electronic newsletter, Weekly Report. If you do not receive the Weekly Report e-newsletter and would like to be added to the mailing list, please contact Michelle Fink at michellef@azasrs.gov or by phone at (602) 308-5107. Provide your name, your employer, email address, mailing address and telephone number with area code.